Investment in Public sector bonds by-Banks

*3t RAOOF VAUULLAlI:
Will the PRIME MINISTER-be plea-s-"d I stal

(a) whether it is a fact that the R. B.. I. stipulates. that Bank Invest-menPublic Sector Bondsshould not exceed 1. 5 per cent of their increment- its in the previous year;

4b.) what is the amount of such bank investment at dresent and what was the amount of incremental depo- its pf the bank during the last year;

whetherthe investments in bond. -- by the Banks conform to the norms insisted upon by the R. B. I. to 5 per cent of the incre-mental deposits; and

{A) if not. what steps are being taken to bring this investment bel the level of the specified limit"

MINISTER OF STATE IN THE 'MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (d) Reserve Bank of India (RBI) has reported that ii has not stipulated that banks' investment in Public. Sector Bonds should not exceed 1. 5 per cent of their incremental deposits in the previous year. However, *he* RBI had, in November, "1986. advised all the banks that they should ensure that thev shares/debentures (which are floated by private sector companies): developing on thera as a part of their underwriting obligations in any particular year do not exceed i.. is per cent of their incremental deposits of the previous year.

The incremental deposits growth of scheduled commercial banks in 1985-88 was about Rupees thirteen thou-and crores.

Level of per capita income

*308. SHRI BASUDEB MOHA-. PATRA: Will the PRIME MINISTER be pleased to state: 468 RS-

(a) what was the rate of per capita investment and th_e rate of increase of per capita income in Orissa, WesC Bengal, Assam and Bihar during the Sixth Five Year Plan period;

(b) whether it was below national level; if so, to'^what extent: and

(c) what steps are oeing taken to increase the per capita investment and' per capita income of these States during the Seventh Five Year Plan?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI SUKH" RAM): (a) and Per capita Flan expenditure (boI it under the State and the Central Plans -taken together) during the Sixth PI period in Orissa. West Bengal, Assam and Bihar was about Rs. 1616. 9, Rs. 1040. 7, Rs. 1659. 0 and Rs. 9' respectively, the average for all S tes being Rs. 1339. 6. The percentage increase of per capita income in Orissa, • West Bengal, Assam and Bihar during- the Sixth Five Year Plan was 19. 6. 13. 8, 14. 7 and 20. 9 respectively, as against the national average of 16. 5

(c.) Per capita income of West Ben gal has been higher than the national average.

Orissa and Bihar are the States* whose par capita income is below the national average. These States, th fore, get higher normal Central As e under the Modified Gadgil for-i due to its being weighted in favour of such States.

Assam's per capita income has also been lower than the national average. It is one of the Special Category States for whom the normal Central Assistance is pre-empted according to the assessment of their require-, ments under the modified Gadgil formula, and its Plan is almost entirely funded by the Centra] "Government.

The percentage increase in the Seventh Plan outlay over the Sixth Plan expenditure in the case of these four States is much higher than the average increase for "All States".